

Dental lab coats do not qualify as medical appliances. See 86 Ill. Adm. Code 130.310. (This is a GIL).

September 23, 2002

Dear Xxxxx:

This letter is in response to your letter dated June 28, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be accessed at the Department's Website at <http://www.revenue.state.il.us/Laws/regs/part1200/>.

In your letter, you have stated and made inquiry as follows:

We are writing on behalf of one of our clients, a medical and dental supply company (the company), regarding the sales and use tax implications associated with selling specific medical and dental supplies. The company sells its products primarily to doctors and dentists who use the supplies in their professional practices.

Dental Restoratives

The company sells materials for use in filling teeth. Property sold includes gold, silver and other alloys, bonding materials, cement, inlays and other filling materials. The company also sells materials used to make temporary fillings for patients. Dental restorative materials are used by dentists to replace decayed or diseased tooth structures.

Pursuant to Illinois Administrative Code Section 130.310, dental prosthetics qualify for the reduced tax rate. We believe that dental restorative products that are used to temporarily or permanently fill a patient's teeth by a licensed dentist are forms of dental prosthesis and consequently should qualify for the low rate of tax imposed on medical appliances.

We respectfully request written confirmation regarding the accuracy of our conclusions on the taxability of the products described above. If you have any questions or need any additional information, please call me.

Please refer to 86 Ill. Adm. Code 130.310, "Food, Drugs, Medicines and Medical Appliances." This regulation describes how sales of products that qualify as drugs, medicines and medical appliances can be subject to the low 1% rate under the Retailers' Occupation Tax Act. Local sales taxes may also apply, depending upon where retail sales are made. Those that do not qualify for the low rate are taxed at the State rate of 6.25%, plus applicable local taxes.

According to Section 130.310, a medical appliance is an item which is intended by its manufacturer for use in directly substituting for a malfunctioning part of the body. Such items may be prescribed by licensed health care professionals for use by a patient, purchased by health care professionals for the use of patients, or purchased directly by individuals. Included in the exemption as medical appliances are dental prostheses.

Dental prostheses are items that are used as a direct substitute for a malfunctioning part of the body. These include posts and cores used to replace missing tooth structure, pins used to stabilize restorative devices such as crowns, sealants used to fill pits and fissures, gutta percha points used as root canal filling material, bases put on a tooth before restoration can be completed, and cements used to adhere restoration material (amalgam composite material, crowns, bridges) to the tooth structure. Cements used to seat temporary restorations qualify for the reduced rate.

Consumable supply items are generally taxed at the high rate as these items do not directly substitute for a malfunctioning part of the body. Supply items that would be fully taxable include needles, instruments, tools, X-ray film, bibs, trays, containers, non-sterile dressings, bandages and other items that do not directly substitute for a malfunctioning part of the body such as disposable impression materials used to take an impression of the patient's teeth.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz
Associate Counsel

KWB:msk
Enc.